

SOUTH STAFFORDSHIRE WATER PLC

CUSTOMER CHALLENGE GROUP

OUTCOMES TASK GROUP

MINUTES OF MEETING HELD ON 26TH MARCH 2013

Attendees:

Tom Marshall (Chair) – Lichfield District Council
John Thompson – Charitable Trust
David Wurr – CC Water
Greg Marshall – Environment Agency (EA)
Ralph Tenant – Federation of Small Businesses (FSB)
Matthew Lewis – South Staffs Water
Rachel Barber – South Staffs Water

Apologies:

Gemma Domican

The Chair welcomed everyone to the meeting.

1. Minutes

Minutes were accepted as an accurate record of the meeting held on 14th March 2013

2. Company Response to 6 challenges (table circulated with the papers)

MJL confirmed the status of the Company's current response to the challenge. These are recorded below:

Items	Challenges Arising at Task Group on 14 March 13	Company Response
1	the statement that even though there may be joint outcomes following the merger with Cambridge would it be necessarily correct that the measures and incentives would be the same?	Agreed – this needs careful consideration and may become clearer once we map out the measures / incentives proposed. If possible we do not want different incentives for the two areas since one set of price limits will apply.
2	A suggestion was made that	Agreed – provided the incentives

	measures within each outcome could be weighted based on their importance	don't become too complex.
3	Due to the wide interpretation of 'responsive customer service' alternatives of 'excellent customer service' or 'responsive to customer needs and service expectations' were suggested	Agreed – revised wording of this outcome will be progressed (no fundamental change, juts need to find the best set of words).
4	It was suggested that the customer bills and investor returns outcome could be split	Further review needed – both are rewarded by efficiency.
5	That “quality” should be clear that this referring to “water quality”, given that general quality of service features in many of the outcomes	Agreed – outcome will be around “water quality”.
6	Security of supply could be split into resilience and demand management	Unlikely to amend – many projects/inputs will be to provide “secure and reliable supplies”, splitting them out is felt to be an unnecessary complication. Leakage / metering activities are under the sustainable environment outcome as we do not have a resource deficit to overcome.

3. Review of Incentives

MJL explained the principal of the approach to incentives using Section 4 of the paper distributed for the first meeting. The members of the task group suggested that the paper, following the incorporation of the amendments agreed at the last meeting and this, should be circulated to the full CCG. Following agreement from the CCG SSW should forward to Ofwat to obtain any feedback on the interpretation SSW has applied to the overall approach of outcomes, measures, incentives and penalties.

ACTION: MJL to update the PR14 Outcomes discussion paper. The paper to be circulated with papers for the full CCG meeting on 11th April.

4. Taking the five outcomes and views on possible measures

MJL presented possible measures for each of the outcomes. The task group identified additional measures which were recorded on the presentation and subsequently identified the top measures for each outcome, demarked in red. As a record of the progress of the outcomes and measures the presentation will be finalised and circulated as part of the papers for the full CCG on 11th April. It was recognised that although excellent progress had been made this was still to developed, i.e. the specific measure and methodology, but also SSW needed to consult with the SSW Board.

ACTION: MJL to update the presentation to be delivered by the chair of task group, Tom Marshall, to share the progress of the task group to the full CCG.

5. AOB

The updated terms of reference were agreed.

Date of next meeting: **1pm 21st May.**

The purpose of the meeting is to review the Cambridge discussion on outcomes and develop the measures. In addition SSW to inform the task group regarding progress of the outcomes and measures with the SSW Board.